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7
8 Attorneys for Complainant

9 **BEFORE THE**
CALIFORNIA BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS
10 **STATE OF CALIFORNIA**

11 In the Matter of the Accusation Against:

12 JONATHAN ERNEST ADAMIC
13 824 Via Poudre
14 San Lorenzo, California 94580

15 Certified Public Accountant Certificate
16 No. CPA 26512,

17 Respondent.

Case No. AC-2007-18

OAH No. 2007020587

**STIPULATED SETTLEMENT AND
DISCIPLINARY ORDER**

18 IT IS HEREBY STIPULATED AND AGREED by and between the parties to the above-
19 entitled proceedings that the following matters are true:

20 **PARTIES AND JURISDICTION**

21 1. Carol Sigmann, the Complainant, is the Executive Officer of the California Board of
22 Accountancy. She brought this action solely in her official capacity and is represented in this
23 matter by Edmund G. Brown Jr., Attorney General of the State of California, by Jeanne C.
24 Werner, Deputy Attorney General.

25 2. Respondent Jonathan Ernest Adamic is representing himself in this proceeding and has
26 chosen not to exercise his right to be represented by counsel.

27 3. On or about September 29, 1978, the California Board of Accountancy issued
28 Certified Public Accountant Certificate No. CPA 26512 to Respondent Jonathan Ernest Adamic.

1 The Certificate was in full force and effect at all times relevant to the charges brought in
2 Accusation No. AC-2007-18 and is currently renewed through April 30, 2007.

3 4. Accusation No. AC-2007-18 was filed before the California Board of Accountancy
4 ("Board"), Department of Consumer Affairs, and is currently pending against Respondent. The
5 Accusation and all other statutorily required documents were properly served on Respondent on
6 January 19, 2007. Respondent timely filed his Notice of Defense contesting the Accusation. A
7 copy of Accusation No. AC-2007-18 is attached as Exhibit A and incorporated herein by
8 reference.

9 ADVISEMENT AND WAIVERS

10 5. Respondent has carefully read, and understands the charges and allegations in
11 Accusation No. AC-2007-18. Respondent has also carefully read, and fully understands the
12 effects of this Stipulated Settlement and Disciplinary Order.

13 6. Respondent is fully aware of his legal rights in this matter, including the right to a
14 hearing on the charges and allegations in the Accusation; the right to be represented by counsel at
15 his own expense; the right to confront and cross-examine the witnesses against him; the right to
16 present evidence and to testify on his own behalf; the right to the issuance of subpoenas to
17 compel the attendance of witnesses and the production of documents; the right to reconsideration
18 and court review of an adverse decision; and all other rights accorded by the California
19 Administrative Procedure Act and other applicable laws.

20 7. Respondent voluntarily, knowingly, and intelligently waives and gives up each and
21 every right set forth above.

22 CULPABILITY

23 8. Respondent admits the truth of the charges in Accusation No. AC-2007-18.

24 9. Respondent agrees that his Certified Public Accountant Certificate is subject to
25 discipline and he agrees to be bound by the Board's imposition of discipline as set forth in the
26 Disciplinary Order below.

27 CONTINGENCY

28 10. This stipulation shall be subject to approval by the California Board of Accountancy.

1 Respondent understands and agrees that counsel for Complainant and Board staff may
2 communicate directly with the Board regarding this stipulation and settlement, without notice to
3 or participation by Respondent. By signing the stipulation, Respondent understands and agrees
4 that he may not withdraw his agreement or seek to rescind the stipulation prior to the time the
5 Board considers and acts upon it. If the Board fails to adopt this stipulation as its Decision and
6 Order, the Stipulated Settlement and Disciplinary Order shall be of no force or effect, except for
7 this paragraph, it shall be inadmissible in any legal action between the parties, and the Board
8 shall not be disqualified from further action by having considered this matter.

9 OTHER MATTERS

10 11. The parties understand and agree that facsimile copies of this Stipulated Settlement
11 and Disciplinary Order, including facsimile signatures thereto, shall have the same force and
12 effect as the originals.

13 DISCIPLINARY ORDER

14 In consideration of the foregoing admissions and stipulations, the parties agree that the
15 Board may, without further notice or formal proceeding, issue and enter the following
16 Disciplinary Order:

17 IT IS HEREBY ORDERED that Certified Public Accountant Certificate No. CPA 26512
18 issued to Respondent Jonathan Ernest Adamic is revoked. However, the revocation is stayed
19 and Respondent is placed on probation for two (2) years on the following terms and conditions.

20 1. **Actual Suspension.** Certified Public Accountant Certificate No. CPA 26512, issued
21 to Jonathan Ernest Adamic is suspended for 180 days. During the period of suspension the
22 Respondent shall engage in no activities for which certification as a Certified Public Accountant
23 or Public Accountant is required as described in Business and Professions Code, Division 3,
24 Chapter 1, Section 5051.

25 2. **Comply With Probation.** Respondent shall fully comply with the terms and
26 conditions of the probation imposed by the Board and shall cooperate fully with representatives
27 of the Board of Accountancy in its monitoring and investigation of the Respondent's compliance
28 with probation terms and conditions.

1 **3. Active License Status.** Respondent shall at all times maintain an active license status
2 with the Board, including during any period of suspension. If the license is expired at the time
3 the Board's decision becomes effective, the license must be renewed in an active status within 30
4 days of the effective date of the decision, or respondent must notify the Board of his inability to
5 meet the licensing requirements.

6 **4. Obey All Laws.** Respondent shall obey all federal, California, other
7 states' and local laws, including those rules relating to the practice of public accountancy in
8 California.

9 **5. Submit Written Reports.** Respondent shall submit, within ten (10) days
10 of completion of the quarter, written reports to the Board on a form obtained from the Board.
11 The Respondent shall submit, under penalty of perjury, such other written reports, declarations,
12 and verification of actions as are required. These declarations shall contain statements relative to
13 Respondent's compliance with all the terms and conditions of probation. Respondent shall
14 immediately execute all release of information forms as may be required by the Board or its
15 representatives.

16 **6. Personal Appearances.** Respondent shall, during the period of probation,
17 appear in person at interviews/meetings as directed by the Board or its designated
18 representatives, provided such notification is accomplished in a timely manner.

19 **7. Ethics Course/Examination.** Respondent shall take and pass with a score of 90
20 percent or better a Board approved ethics examination (within a given period of time or prior to
21 the resumption of practice). (Exam will be passed prior to resumption of practice where license
22 has been suspended or where otherwise appropriate.)

23 If Respondent fails to pass said examination within the time period provided or within
24 two attempts, Respondent shall so notify the Board and shall cease practice until Respondent
25 takes and successfully passes said exam, has submitted proof of same to the Board, and has been
26 notified by the Board that he may resume practice. Failure to pass the required examination no
27 later than 100 days prior to the termination of probation shall constitute a violation of probation.

28 Notwithstanding any other provision of this probation, failure to take and pass this

1 examination within five years of the effective date of this order constitutes a separate cause for
2 discipline of Respondent's license.

3 **8. Cost Reimbursement.** Respondent shall reimburse the Board its actual investigation
4 and prosecution costs, which total \$5152.00. The reimbursement shall be made in eight
5 quarterly payments, due with Respondent's quarterly written reports or as otherwise directed by
6 the Board. Notwithstanding any other consequence for failure to comply with this probationary
7 term, Respondent's failure to complete the payments prior to the scheduled termination of
8 probation will automatically extend the probationary period until the Board acknowledges that
9 the payments have been completed.

10 **9. Practice Investigation.** Respondent shall be subject to, and shall permit, practice
11 investigation of the Respondent's professional practice. Such a practice investigation shall be
12 conducted by representatives of the Board, provided notification of such review is accomplished
13 in a timely manner. However, no notice is required for the Board and its representatives to verify
14 compliance with the suspension period imposed herein.

15 **10. Comply With Citations.** Respondent shall comply with all final orders resulting
16 from citations issued by the Board of Accountancy.

17 **11. Medical or Psychological Counseling.** Respondent shall undergo and continue
18 treatment by a licensed physician or psychotherapist of Respondent's choice to address any issues
19 which may impair the Respondent's ability to safely practice public accountancy in the absence of
20 such treatment. This treatment shall continue (a) until the treating physician or psychotherapist
21 certifies in writing to the Board or its designee that treatment is no longer necessary, or (b) for the
22 duration of the probation, whichever occurs sooner. Respondent shall submit proof acceptable to
23 the Board that such treatment is occurring as directed. Respondent is responsible for the costs of
24 treatment.

25 **12. Tolling of Probation For Out-of-State Residence/Practice.** In the event
26 Respondent should leave California to reside or practice outside this state, Respondent must
27 notify the Board in writing of the dates of departure and return. Periods of non-California
28 residency or practice outside the state shall not apply to reduction of the probationary period, or

1 of any suspension. No obligation imposed herein, including requirements to file written reports,
2 reimburse the Board costs, or make restitution to consumers, shall be suspended or otherwise
3 affected by such periods of out-of-state residency or practice except at the written direction of the
4 Board.

5 13. **Violation of Probation.** If Respondent violates probation in any respect, the Board,
6 after giving Respondent notice and an opportunity to be heard, may revoke probation and carry
7 out the disciplinary order that was stayed. If an accusation or a petition to revoke probation is
8 filed against Respondent during probation, the Board shall have continuing jurisdiction until the
9 matter is final, and the period of probation shall be extended until the matter is final.

10 14. **Completion of Probation.** Upon successful completion of probation, Respondent's
11 license will be fully restored.

12 **ACCEPTANCE**

13 I have carefully read the Stipulated Settlement and Disciplinary Order. I understand the
14 stipulation and the effect it will have on my Certified Public Accountant Certificate. I enter into
15 this Stipulated Settlement and Disciplinary Order voluntarily, knowingly, and intelligently, and
16 agree to be bound by the Decision and Order of the California Board of Accountancy.

17 DATED: March 12, 2007.

Jonathan Ernest Adamic CPA
JONATHAN ERNEST ADAMIC, CPA
Respondent

19 **ENDORSEMENT**

20 The foregoing Stipulated Settlement and Disciplinary Order is hereby respectfully
21 submitted for consideration by the California Board of Accountancy of the Department of
22 Consumer Affairs.

23 DATED: March 12, 2007

24 EDMUND G. BROWN JR., Attorney General
of the State of California

25 Jeanne C. Werner
26 JEANNE C. WERNER
27 Deputy Attorney General
Attorneys for Complainant

28 DOJ Matter ID: SF2006402944

**BEFORE THE
CALIFORNIA BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA**

In the Matter of the Accusation Against:

Case No.AC-2007-18

JONATHAN ADAMIC
824 Via Poudre
San Lorenzo, CA 94580

Certified Public Accountant Certificate No. 26512

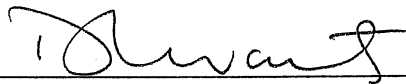
Respondent.

DECISION AND ORDER

The attached Stipulated Settlement and Disciplinary Order is hereby adopted by the California Board of Accountancy of the Department of Consumer Affairs, as its Decision in the above-entitled matter.

This Decision shall become effective on June 17, 2007.

It is so ORDERED on May 18, 2007.



President

For The CALIFORNIA BOARD OF ACCOUNTANCY
CALIFORNIA DEPARTMENT OF CONSUMER AFFAIRS

Exhibit A

Accusation No. AC-2007-18

1 EDMUND G. BROWN JR., Attorney General
of the State of California
2 WILBERT E. BENNETT
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3 JEANNE C. WERNER, State Bar No. 93170
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9 **BEFORE THE**
CALIFORNIA BOARD OF ACCOUNTANCY
10 **DEPARTMENT OF CONSUMER AFFAIRS**
STATE OF CALIFORNIA

11 In the Matter of the Accusation Against:

Case No. AC-2007-18

12 JONATHAN ERNEST ADAMIC
13 824 Via Poudre
San Lorenzo, California 94580

ACCUSATION

14 Certified Public Accountant Certificate
15 No. CPA 26512,

16 Respondent.

17
18 Complainant alleges:

19 **PARTIES and JURISDICTION**

20 1. The Complainant herein, Carol Sigmann, brings this action under Business and
21 Professions Code Section 5100 solely in her official capacity as the Executive Officer of the
22 California Board of Accountancy, Department of Consumer Affairs ("Board").

23 2. On or about September 29, 1978, the California Board of Accountancy issued
24 Certified Public Accountant Certificate Number CPA 26512 to Jonathan Ernest Adamic, the
25 Respondent herein. The Certified Public Accountant Certificate was in full force and effect at all
26 times relevant to the charges brought herein and is renewed through April 30, 2007.

27 3. This Accusation is brought before the Board under the authority of Section 5100 of the
28

1 Business and Professions Code,¹ which provides, in relevant part, that, after notice and hearing,
2 the board may revoke, suspend or refuse to renew any permit or certificate granted, for
3 unprofessional conduct including, as provided in subdivision (h), the suspension of the right to
4 practice before any governmental body or agency.

5 4. Treasury Department Circular 230 (IRS Regulations, hereinafter "Circular 230")
6 provides regulations which govern practitioners, including certified public accountants, who
7 appear before the Internal Revenue Service. Circular 230 provides, in pertinent part:

8 "Disreputable conduct for which a practitioner may be censured, suspended, or
9 disbarred from practice before the Internal Revenue Service includes section
10 10.51(f), "wilfully failing to make a Federal tax return in violation of the revenue
11 laws of the United States, wilfully evading, attempting to evade, or participating
12 in any way in evading or attempting to evade any assessment or payment of any
13 Federal tax, or knowingly counseling or suggesting to a client or prospective
14 client an illegal plan to evade Federal taxes or payment. thereof." (Circular 230,
15 Section 10.51(f), formerly Section 10.51(d))

13 5. Code Sections 118(b) and 5109 provide in pertinent part that the suspension,
14 expiration, cancellation, or forfeiture of a license issued by the Board shall not, deprive the Board
15 of its authority to investigate, or to institute or continue a disciplinary proceeding against, a
16 licensee upon any ground provided by law, or to enter an order suspending or revoking the
17 license or otherwise taking disciplinary action against the licensee on any such ground.

18 6. Code Section 5107 authorizes the Board's recovery of certain costs which result from
19 the investigation and prosecution of violations of the Accountancy Act. Section 5107(a) of the
20 Code provides in pertinent part that the executive officer of the Board may request the
21 administrative law judge, as part of the proposed decision in a disciplinary proceeding, to direct
22 any holder of a permit or certificate found to have violated the Accountancy Act to pay to the
23 Board all reasonable costs of investigation and prosecution of the case, including, but not limited
24 to, attorneys' fees incurred prior to the commencement of the hearing. A certified copy of the
25 actual costs, or a good faith estimate of costs signed by the Executive Officer, constitute prima
26

27 1. All statutory references are to the Business and Professions Code unless otherwise
28 indicated.

1 facie evidence of reasonable costs of investigation and prosecution of the case.

2 7. Code Section 5000.1 provides as follows: "Protection of the public shall be the
3 highest priority for the California Board of Accountancy in exercising its licensing, regulatory,
4 and disciplinary functions. Whenever the protection of the public is inconsistent with other
5 interests sought to be promoted, the protection of the public shall be paramount."

6 **FIRST CAUSE FOR DISCIPLINE**

7 **Suspension of Right to Practice Before a Governmental Body or Agency**
8 **[Business and Professions Code Section 5100(h)]**

9 8. Respondent is subject to disciplinary action under Section 5100(h) in that his right to
10 practice as an accountant before a governmental body or agency has been suspended indefinitely.
11 On August 11, 2006, the Acting Director of the Office of Professional Responsibility, Internal
12 Revenue Service, U.S. Department of the Treasury, accepted Respondent's offer of consent to
13 suspension, and imposed a suspension from practice before the Internal Revenue Service for an
14 indefinite period of time, said suspension to commence on August 18, 2006. The circumstances
15 leading to the imposition of the suspension involved alleged violations by Respondent of Section
16 10.51(f) of Circular 230. The respondent has the right to petition for reinstatement after eighteen
17 months.

18 9. Incorporating by reference the matters alleged in paragraph 8 above, Respondent's
19 suspension from practice before the IRS constitutes the suspension of the right to practice before
20 a governmental agency within the meaning of Code Section 5100(h), and said suspension is
21 substantially related to the qualifications, duties or functions of a certified public accountant,
22 establishing cause for discipline of Respondent's Certified Public Accountant Certificate under
23 Code Section 5100.

24 **OTHER MATTERS**

25 **Cost Recovery**

26 10. Pursuant to Code Section 5107, it is requested that the administrative law judge, as
27 part of the proposed decision in this proceeding, direct Respondent to pay to the Board all
28 reasonable costs of investigation and prosecution in this case, including, but not limited to,

1 attorneys' fees.

2 **PRAYER**

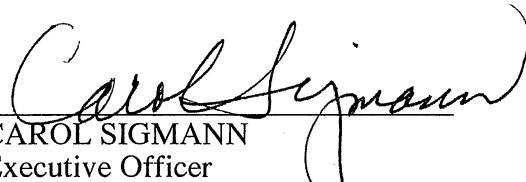
3 WHEREFORE, Complainant requests that a hearing be held on the matters herein
4 alleged, and that following the hearing, the California Board of Accountancy issue a decision:

5 1. Revoking or suspending or otherwise imposing discipline upon Certified Public
6 Accountant Certificate Number CPA 26512, issued to Jonathan Ernest Adamic.

7 2. Ordering Jonathan Ernest Adamic to pay the California Board of Accountancy the
8 reasonable costs of the investigation and enforcement of this case, pursuant to Business and
9 Professions Code Section 5107;

10 3. Taking such other and further action as deemed necessary and proper.

11
12 DATED: January 11, 2007

13
14 
15 CAROL SIGMANN
16 Executive Officer
17 California Board of Accountancy
18 Department of Consumer Affairs
19 State of California
20 Complainant

21 SF2006402944

22 Accusation.wpd
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